



Indiana Individual Income Tax Fact Sheet

2016 Tax Season:

The 2016 individual income tax season is Jan. 19 – April 18, 2016.

Top Three Mistakes:

The top three tax filing errors are:

1. **Math errors.** Even with a calculator, it's easy to miss a step, and to add where you should have subtracted, or to transpose some numbers when writing them down.
2. **Claiming more deductions and credits than you are entitled.** For example, \$3,000 is the most you can claim as a renter's deduction; anyone claiming more than \$3,000 has made an error.
3. **Forgotten attachments.** If a taxpayer forgets a W-2 or a schedule to support a deduction, the Indiana Department of Revenue will send a letter requesting this information.

State Tax Deductions and Credits:

The top four most commonly claimed deductions and credits are:

Deductions

1. Indiana property tax paid on home – up to \$2,500
2. Rent paid on home – up to \$3,000
3. Social Security benefits – if included on federal tax return, Indiana will not tax them – so back them out
4. Unemployment compensation – may be able to deduct some or all of reported benefits

Visit www.in.gov/dor/3799.htm for a full list of Indiana deductions.

Credits

1. Indiana College Choice 529 Credit
2. Earned Income Tax Credit
3. Unified Tax Credit for the Elderly (low income, age 65 or older)

4. Indiana college/university donations (College Credit)

Visit www.in.gov/dor/3803.htm for a full list of Indiana credits.

Checking Refunds

Taxpayers can go to www.in.gov/dor/4339.htm to check the status of their refunds. They also can call 317-233-4018 to access the automated refund line.

To check the status of a refund, a taxpayer will need her:

- Social Security number
- Exact amount of the requested refund

Choosing a Tax Preparer:

If a taxpayer is going to pay someone to do his tax return, he should be sure to choose his tax preparer wisely. Remember, taxpayers are legally responsible for what is on their tax returns even if they are prepared by someone else.

A reputable preparer will ask multiple questions to determine whether expenses, deductions and other items qualify and remind clients that they need to keep careful and complete records in order to substantiate information contained on their tax return. They do this with their client's best interest in mind and are trying to help their client avoid penalties, interest or additional taxes.

- Find someone who's still going to be there when tax season is over.
- Know what the fees are before you start filing anything.
- Avoid preparers who base their fee on a percentage of the amount of your refund or who claim they can obtain larger refunds than other preparers without first reviewing your returns.
- Never sign a blank tax form for any reason.
- Check to see if the preparer has any questionable history with the Better Business Bureau, the state's board of accountancy for CPAs or the state's bar association for attorneys.
- The IRS lists approved preparers on its website – check those too.
- Check to see if the preparer has a proper Preparer Tax Identification Number (PTIN) from the Internal Revenue Service (IRS), which has been required to file federal tax returns since 2011.

Locations to find quality, qualified tax preparers are among the members of the [Indiana CPA Society](#) or the [Indiana Society of Enrolled Agents](#).

EIC:

The earned income credit (EIC) is a tax credit for certain people who work and have earned income under \$44,450. A tax credit usually means more money in a taxpayer's pocket. It reduces the amount of tax she owes. The EIC may also give taxpayers a refund.

Delayed Refunds:

Refunds can be delayed for a number of reasons, such as a calculation error, forgotten attachments, or if more information is needed from the taxpayer.

Returns that are e-filed typically are processed within 14 days and paper returns should be processed within 12 weeks.

Extension of Time to File

An extension of time to file gives a taxpayer more time to get all his information together to file. However, it does not extend the time to pay the tax he owes.

Here's how an extension works:

- Figure how much you expect to owe.
- Pay at least 90 percent of the tax you expect to owe by April 18, 2016.
- File your tax return by June, and pay any additional tax due at that time. While interest will be due with this payment, the penalty will be waived.

Taxpayers who follow these steps and have a valid federal extension of time to file (Form 4868) have until Nov. 14, 2016 to file and pay the remaining amount due. Interest will be due with the amount paid.

Here are two ways to file for an Indiana extension:

- Figure how much you owe and to pay online by credit card or electronic check, visit www.in.gov/dor/epay
- Fill out Form IT-9, figure how much you owe and mail in your payment.

Taxpayers expecting a refund or who expect to break even and can't file by April 18 still need to file for an extension of time to file.

Here's how an extension works for taxpayers who don't owe:

- If you have filed for a federal extension of time to file (IRS [Form 4868](#)), then you won't need an additional extension for Indiana filing purposes. In fact, this extends your filing period with Indiana to Nov. 14, 2016.
- If you don't have a federal extension, just complete [Form IT-9](#), get it postmarked by April 18, and file your tax return by Nov. 14, 2016.

Indiana Department of Revenue:

The Indiana Department of Revenue was created by an Act of the Indiana General Assembly on Feb. 18, 1947. The department is led by Commissioner Andrew Kossack. The department is responsible for providing service to Indiana citizens regarding state tax matters. Additionally, the department administers state tax laws, develops regulations and makes decisions about tax policy.

To serve the public and properly administer the tax laws, the department employs approximately 650 full-time and part-time employees.

The department is headquartered at the Indiana Government Center located in downtown Indianapolis. Additionally, it provides service through 11 district offices located throughout Indiana.